

It is recommended the LEAs with the ability to use the Maintenance of Effort Reduction in the 2009-10 utilize the reduction process to improve their financial position. Below are the entries to record the use of IDEA Part B funds to free up state and local special education funds to reduce maintenance of effort for 2009-10. The MOE reduction process will be utilized in 2009-10, but not in other years because of flat funding of Part B from year to year by the federal government. In those years with flat funding, it is recommended LEAs utilize CEIS to impact the general program instead.

Entry 1

Debit: 9-10-XXXX-1XXX-2XX-4031-XXX

Credit: 9-10-XXXX-1XXX-2XX-330X-XXX (Recoding state and local special expenses to IDEA Part B ARRA)

Entry 2

Debit: 9-10-XXXX-XXXX-XXX (not 200-250)-3308-XXX

Credit: 9-10-XXXX-XXXX-XXX (not 200-250)-0000-XXX (General program expenses, meeting the ESEA requirement, paid for with the freed up state and local special education dollars)

The dollar amount coded, as described above, should equal the dollar amount the LEA is seeking to use the MOE reduction process not to exceed the amount listed on the DE website.

Revenues are not impacted by the use of the MOE reduction process described in IDEA Part B. All revenues into special education should be coded as required.

The LEA's special education balance in 2009-10 will not be impacted by utilizing the MOE reduction process.

For those LEAs using more than 50% of their first allocation of IDEA Part B ARRA funds received in June 2009, the April 1, 2010 allocation will be increased to ensure the IDEA Part B cash on hand during the 2009-10 school year will be sufficient to meet the amount needed to utilize the MOE reduction process. This will only impact a few LEAs since most held the funds over to FY10.

Remember, IDEA Part B ARRA funds can only be used in special education. Use of IDEA Part B ARRA funds in special education is booked as any other Part B funds with the exception the project code is 4031 and not 4521.

For further guidance about IDEA Part B ARRA funds, please go to this website.

http://www.iowa.gov/educate/index.php?option=com_content&view=article&id=1731&Itemid=2552